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September 20, 2006

BY HAND DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 06-31

Dear Ms. Cottrell:

Enclosed for filing, on behalf of Bay State Gas Company ("Bay State"), please find Bay State's responses to the following Information Requests:

USW 3-1 (SUPPLEMENTAL RESPONSE)

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Paul Osborne (DTE)
A. John Sullivan (DTE)
Alexander Cochis, Assistant Attorney General (4 copies)
Charles Harak, Esq. (UWUA)
Nicole Horberg Decter, Esq. (USW)
Service List

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

RESPONSE OF BAY STATE GAS COMPANY TO THE
THIRD SET OF INFORMATION REQUESTS FROM THE USW
D.T.E. 06-31

Date: September 20, 2006

Responsible: Stephen H. Bryant, President

**SUPPLEMENTAL
RESPONSE:**

USW 3-1: Referring to BSG's response to USW 1-4, between December 1, 1999 to date, provide all documents within the possession, custody, or control of BSG or NCSC, relating to or regarding the performance of identified vendors who have been contracted by NCSC and/or BSG to provide services with regard to Meters to Cash and Customer Contact Center functions. This request includes, but is not limited to, any and all customer complaints regarding functions performed by identified vendors, correspondence between BSG or NCSC and vendors regarding or relating to vendor performance, internal and external memoranda, e-mails, and any other documents evaluating the performance of vendors with regard to Meters to Cash and Customer Contact functions.

RESPONSE: Objection. The question is irrelevant to this proceeding where Bay State's service quality on behalf of its customers and where the relationship between the jurisdictional company, Bay State, and its Parent, NiSource, is in issue. Moreover, the question is a fishing expedition into the affairs of non-jurisdictional companies since it requests information belonging to entities that have no demonstrated effect on Bay State service to its customers. Third party provision of services Bay State could provide itself is a normal, reasonable, cost-efficient method of obtaining and providing services it could do itself and it is part of Bay State's regular business practice.

Notwithstanding this objection, but rather specifically maintaining it, as stated in the Company's response to USW 1-4, Bay State utilizes contract firms to provide credit and collection assistance: NCO Financial Systems, United Collection Bureau and Alliance One. The Company has received very few customer complaints that involve these contractors and, as such, does not maintain a list of complaints involving these contractors. Further, as a general matter, it would be difficult in most cases to determine, considering that these contractors are engaged in collection activities, to determine if the complaint is related to the contractor's performance or is more generally related to the Company's desire to collect funds owed to it.

The Company does maintain performance information related to these contractors. For instance, NCO Financial Systems performs outbound collection calls and the Company tracks the number of successful contacts made by NCO. Attachment USW 03-01 (A) contains this tracking information for the period January, 2005 to present.

All three collection contractors perform collection services related to amounts owed by former customers. Performance for this work is measured utilizing a net back percent calculation that includes amounts collected and commission paid, as compared to total dollars assigned for collections. Attachment USW 03-01 (B) contains these performance statistics for the three contractors.

The Company is also in the process of initiating a broader auditing process for outside collection agencies. Although data is not yet available, Attachment USW 03-01 (C) contains a description of this program.

Neither NCSC nor Bay State permit or have permitted outside vendors to perform the functions associated with Bay State customer call centers during the prescribed period.

**SUPPLEMENTAL
RESPONSE:**

NCO is the primary contractor, other than IBM/Vertex, that deals directly with active customers. Attachment USW 03-01 SUPPLEMENTAL (A) contains a set of summary graphs related to customer satisfaction with calls handled by NCO. These graphs cover the period of September, 2005 through August, 2006. Attachment USW 03-01 SUPPLEMENTAL (B) is a copy of the most recent Flash Report that provides detail associated with the graphical data presented in Attachment USW 03-01 SUPPLEMENTAL (A). These Flash Reports are produced monthly.

In addition, the NiSource – IBM Service Agreement includes a service level requirement (“SLA”) for the Smithfield Contact Center associated with customer complaints as well as guidelines for addressing these types of complaints (i.e., immediate and non-immediate resolution). This SLA is identified as SLA: CCC-160. Per the Service Agreement, IBM’s target for addressing all customer complaints is 91% of the time according to the below described client guidelines, while the minimum service level is 89%.

The following is a description of the call escalation guidelines for both immediate and non-immediate resolution:

I. Call Escalation Guidelines: Immediate

Immediate Escalated Call

The process below needs to be followed after the CSR has:

1. Attempted to use the 5 Steps for Handling a Complaint process,
2. Used the empowerment scripts, AND
3. The CSR was unable to satisfy the customer, and the customer ASKS to speak with a supervisor or someone in higher authority.

Criteria for Immediate Escalated Calls:

Escalate the following types of calls IMMEDIATELY:

1. Emergency Calls
2. Customer indicates going to the regulatory commission, Consumer Counselor, Better Business Bureau, an elected official, the media or a company executive.
3. Customer has been or feels impacted by a company error. Some examples are:
 - Gas or electric off in error
 - Missed Appointment
 - Order Rescheduled, but customer not informed
 - Billing error
 - Repeat Caller
4. Customer's gas is off and the weather is cold.

Process for Escalating Calls

The following is the process for calls that meet the criteria for immediate handling:

- Step 1: Advise customer that you are transferring them: "I'll be happy to transfer you. One moment, please."
- Step 2: Call "Escalated Call" queue to request a Senior CSR speak with customer via Soft Phone.
Note: If SoftPhone is down... use Hard Phone by pressing Transfer, enter 3502, and then transfer again once you have provided information to the Senior.
- Step 3: Provide customer information and explain the situation to the Senior CSR.
- Step 4: Transfer call via Soft Phone.
- Step 5: Complete Call Back Request Form with "immediate" indicator.
(Note: You may be prompted to enter your User Name & Password.)

What if the Escalated Call queue is busy or no one is available?

If the queue is busy or no one is available, do the following:

- Step 1: Click on the "STOP" button on the soft phone, then click on the flashing line button to retrieve the call.
- Step 2: Inform customer and request customer information for call back:
"I'll be happy to refer your call. However, no one is available at this time. I can have someone call you back as soon as possible or a specific time that is more convenient for you. May I have the phone number where you can be reached, and the best time to call?"
- Step 3: Complete Call Back Request Form with "immediate" indicator.

What if the customer insists on holding?

Inform customer and request customer information for call back:

"Rather than holding and having to repeat your concern again, I will be more than happy to refer your call and have someone call you back as soon as possible. May I have the phone number where you can be reached, and the best time to call?"

What if the customer still insists on holding after we have used the suggested scripting?

- Step 1: Customer still insists on holding, transfer call into queue for next available Senior CSR.
- Step 2: Complete Call Back form with "immediate" indicator along with a note in the comments section – "Customer insists on holding"

What if a customer requests a call back outside of our normal working hours?

Advise the customer that we do not have anyone available to return their call outside of our working hours. Take their name and phone number and tell them someone will call them back during the next business day.

II. Call Escalation Guidelines: Non-Immediate

Call Back Request

The process below needs to be followed after the CSR has:

- 1. Attempted to use the 5 Steps for Handling a Complaint process,
- 2. Used the empowerment scripts , AND
- 3. The CSR was unable to satisfy the customer, and the customer ASKS to speak with a supervisor or someone in higher authority.

Criteria for Call Back Request

For all other escalated calls:

If the Call Back request is received...Then...

Prior to 2:00 PM, The call will be returned the SAME DAY.

After 2:00 PM, The call will be returned by noon of the NEXT BUSINESS DAY.

Process for Call Back Request

The following is the process for calls that DO NOT meet the criteria for immediate handling:

Step 1: Action 1: Advise customer that you will have someone return the call.

Call Back Requests - Call Received prior to 2 PM:

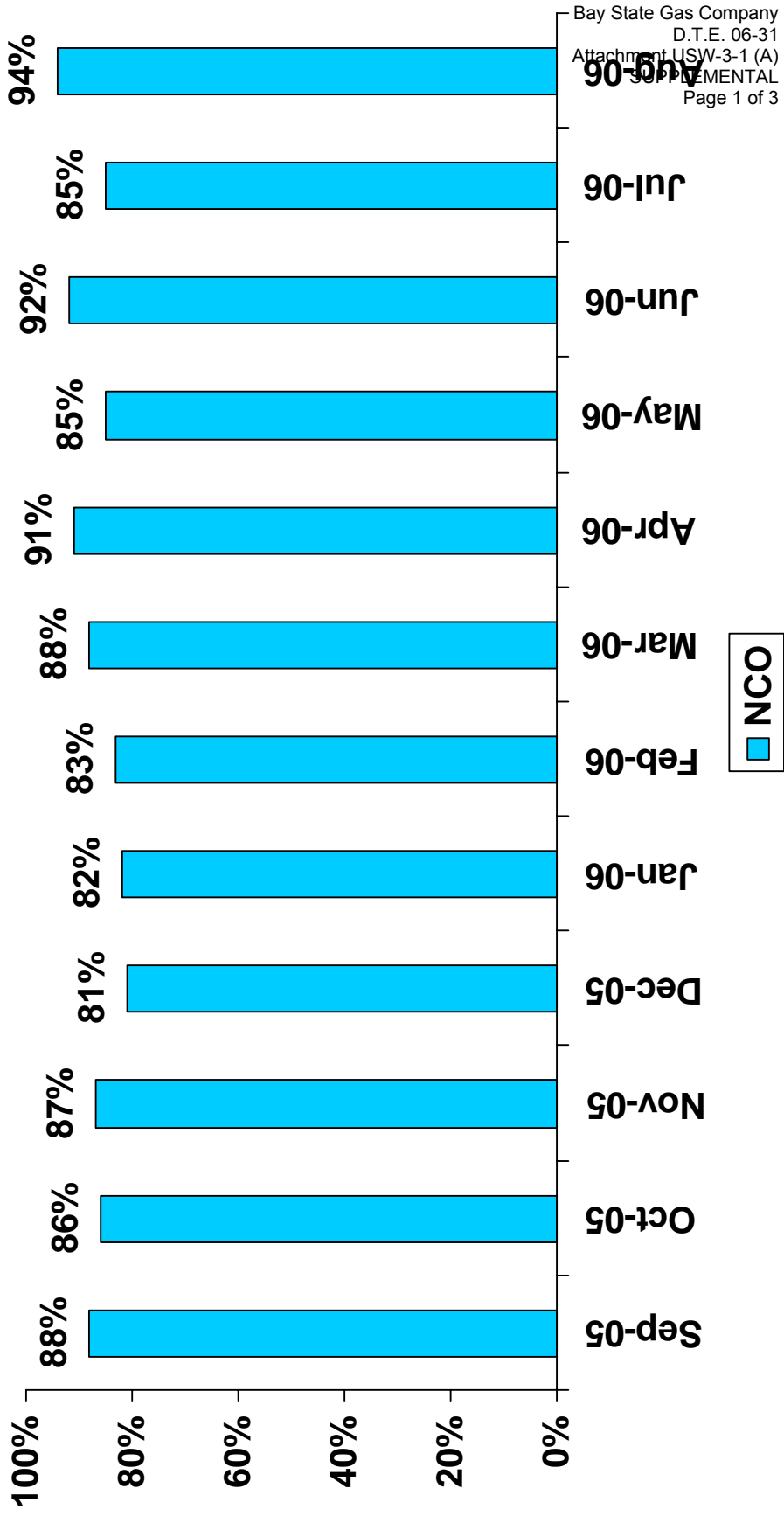
"I'll be happy to refer your call. However, no one is available at this time. I can have someone call you back by 5:00 pm today. May I have the phone number where you can be reached, and the best time to call?"

Call Back Requests - Call Received after 2 PM:

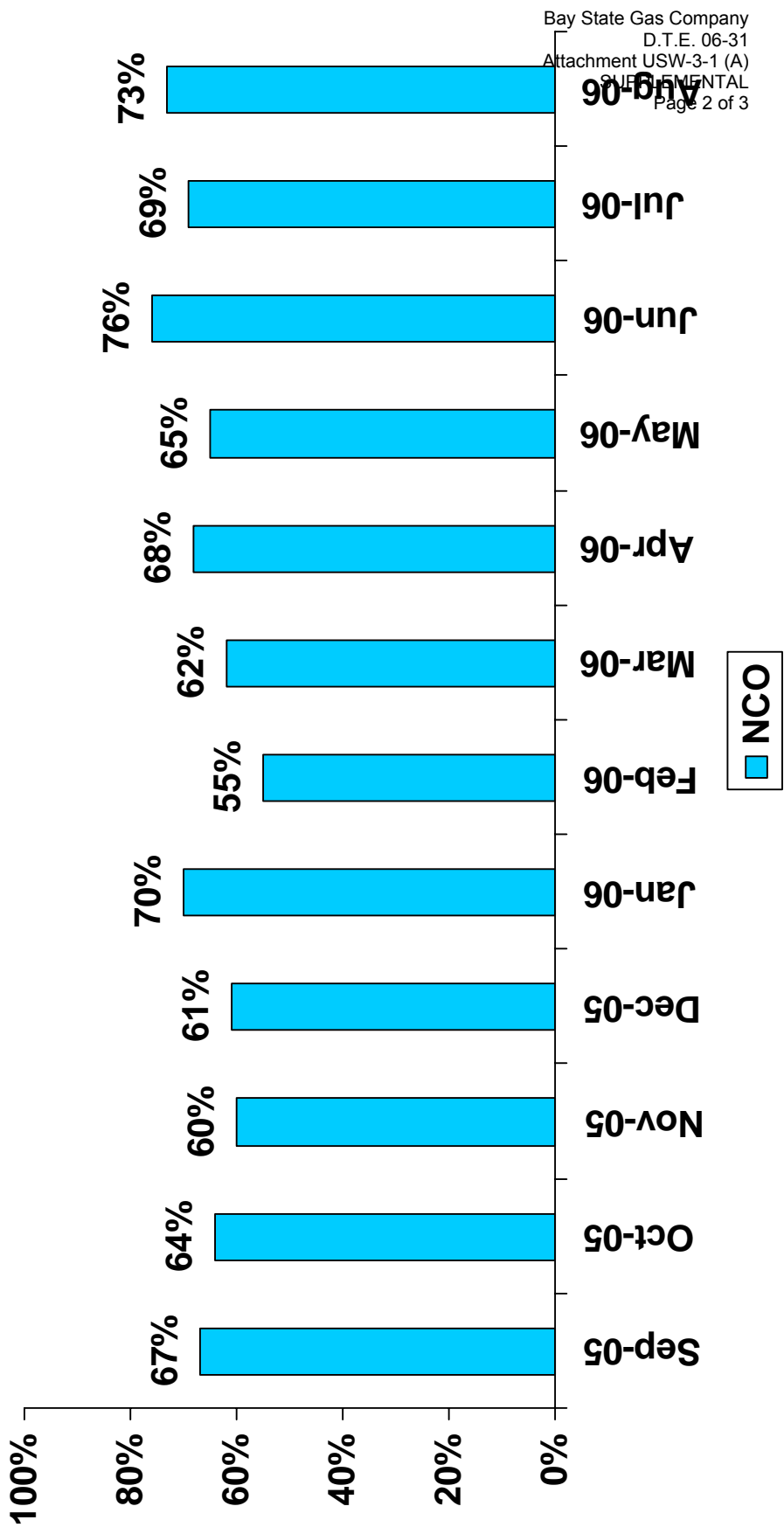
"I'll be happy to refer your call. However, no one is available at this time. I can have someone call you back no later than noon on _____ (next business day). May I have the phone number where you can be reached, and the best time to call?"

Action 2: Complete Call Back Request Form. (Note: You may be prompted to enter your User Name & Password.)

Overall Satisfaction with Phone Rep (% Rating 6 or Higher)



Overall Satisfaction with Phone Rep (% Rating 9 or 10)



Month	NCO (%)
Sep-05	60%
Oct-05	62%
Nov-05	66%
Dec-05	77%
Jan-06	77%
Feb-06	71%
Mar-06	69%
Apr-06	77%
May-06	62%
Jun-06	83%
Jul-06	62%
Aug-06	77%

NCO August Flash Report

Bay State Gas Company
D.T.E. 06-31
Attachment USW-3-1 (B)

SUPPLEMENTAL
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		NCO			
		August	Change	3-Month Avg.	12-Month Avg.
	N=	210	12	590	1545
<u>Automated Phone Service</u>					
	N=	202	11	566	1465
• Overall satisfaction (Q4a)		76%	+13% *	71%	66% *
	N=	195	17	540	1415
• Variety of services offered (Q5a)		86%	+14% *	80% *	78% *
	N=	198	12	554	1447
• Understanding options/directions (Q5b)		89%	+6%	84%	83% *
	N=	196	11	550	1433
• Time to get to desired option (Q5c)		80%	+13% *	73%	69% *
	N=	-	-	-	-
• Time to complete transaction (Q5d)		-	-	-	-
<u>Phone Rep Availability</u>					
• Ease of contacting company (Q3a)		82%	+10% *	79%	74% *
• Wait time to speak with rep (Q7)		75%	+14% *	71%	67% *

** Indicates a statistically significant change/difference from current month's rating at 95% confidence level.
Note: "Change" column represents the change of current month's ratings from previous month's ratings.
Except where otherwise noted, all percentages are the percent of customers giving a rating of 6 or higher on a ten-point scale.*

About This Report

This report presents the monthly results of the customer satisfaction audits of recent service contacts for the seven NiSource operating companies. Unless otherwise stated, all percentages represent the percentage of customers who evaluated that particular aspect of their service experience a "6" or higher on a ten-point scale. Most results are based on the entire sample of customers surveyed noted above. However, the reader should be advised that the following questions are based on a smaller sample size and should be interpreted with caution:

- Q5d -- Based only on those customers who completed their entire transaction through the automated phone system
- Q10c -- Based only on those who have had recent experience contacting the phone center of a peer utility

NCO August Flash Report

Bay State Gas Company
D.T.E. 06-31
Attachment USW-3-1 (B)
SUPPLEMENTAL
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		NCO			
		August	Change	3-Month Avg.	12-Month Avg.
		210	12	590	1545
<u>Phone Rep Performance</u>					
	N=	206	10	580	1520
• Overall performance (Q8a)		94%	+9% *	90%	86% *
	N=	207	11	583	1520
• Being courteous and professional (Q8b)		95%	+6% *	91% *	88% *
	N=	207	10	583	1525
• Treating as respected customer (Q8c)		95%	+10% *	91% *	88% *
	N=	207	11	581	1510
• Showing concern for situation (Q8d)		89%	+8% *	86%	83% *
	N=	206	12	575	1501
• Displaying knowledge in job (Q8e)		91%	+9% *	89%	87% *
	N=	206	11	576	1516
• Adequately answering questions (Q8f)		92%	+8% *	90%	87% *
	N=	207	12	579	1514
• Understanding purpose for call (Q8g)		91%	+5%	91%	88%
	N=	203	14	568	1481
• Having authority to make decisions (Q8h)		90%	+8% *	87%	82% *
	N=	207	12	581	1513
• Working quickly and efficiently (Q8i)		90%	+8% *	89%	85% *
	N=	203	13	572	1501
• Satisfied request in one conversation (Q9b - % Yes)		77%	+14% *	74%	71%
	N=	101	22	254	613
• Performance vs. peer utilities (Q10c - % Better or Same)		86%	+25% *	76% *	79%

* Indicates a statistically significant change/difference from current month's rating at 95% confidence level.
 Note: "Change" column represents the change of current month's ratings from previous month's ratings.
 Except where otherwise noted, all percentages are the percent of customers giving a rating of 6 or higher on a ten-point scale.